MEETING OF OCTOBER 27th, 1980

CONCORDIA UNIVERSITY

BOARD OF GOVERNORS

CONCORDIA EMPLOYEE BENEFITS COMMITTEE

Members Present: Mr. G. Fisher, Prof. C. Goldman, Mr. H. Hemens, Miss D. Johnson, Mr. E. Lemieux, Prof. G. Martin, Prof. C. Potter, Mr. W.M. Reay, Mr. B. Smart.

Guests Present: Mr. J.L. Bourbeau of William M. Mercer Ltd. and Mr. R. Doutre, Director, Human Resources

In Absentia: Mr. A. Duff, Member Ex-Officio

Approval, Minutes of the Meeting of September 24th, 1980

The Chairman pointed out that the date was missing under item Response to McLean Budden Letter on page 1. (Date: June 4th, 1980.) The Secretary noted that the omission has been corrected in the original version of the minutes. It was moved by Mr. Smart seconded by Prof. Goldman that the minutes of the meeting of September 24th, 1980, as amended, should be approved. The motion carried.

Proposed Reciprocal Transfer Agreement with Commission Administrative des Regimes de Retraite (C.A.R.R.)

It was noted that the Committee has approved in principle our participation, with the other Quebec universities, in negotiations with C.A.R.R.

The material that was circulated to the Committee members represented a draft of common clauses which had been recommended by Pouliot Guerard consulting actuaries, to the working committee of C.R.E.P.U.Q. All participating Universities were asked to present these draft clauses to their Pension Committees for their comments and recommendations for revision.

Mr. Smart requested clarification regarding the financial aspects of Reciprocal Transfer Agreements, particularly with respect to the number of members who will be able to take advantage of the arrangement. It was noted that we do not know how many terminating employees will be going to an organization which is covered by a C.A.R.R. plan and of these how many will take advantage of the tranfer option in lieu of a cash refund. Our plan will receive the appropriate funding for new members bringing credited service into the plan.

Mr. Bourbeau explained that it was a matter of funding the termination immediately to transfer the cash out versus funding the present value of a future retirement benefit.

Mr. Fisher also noted that when a terminating employee withdraws contributions from the plan the University contributions remain in the plan thereby partially covering the required contributions for ongoing members.

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The Chairman noted that this agreement was being entered into in compliance with a decision which had already been taken by the Committee. (Meeting of May 28th, 1980.) Prof. Martin added that it was anticipated the universities could negotiate a more favourable agreement as a group as opposed to individual negotiations. Furthermore since Concordia is one of the few Quebec universities which has no reciprocal agreements there will be a cost attached to the agreement.

The Chairman requested that we obtain the list of organizations covered by C.A.R.R. and also seek the advice of our own Legal Counsel before considering the matter further.

Signing Authority

The Secretary advised the members that a new resolution was required to revise the signing authority under the Pension Plan in view of Mr. Waters' change in responsibilities.

The members and administrators included in the proposal were identified and following Prof. Martin's assurance that appropriate procedures were being followed Prof. Carl Goldman proposed that the following resolution be approved:

Whereas the Authority to approve the commitment and/or payment of benefits under the Pension Plan for the Employees of Concordia University lies with this Committee,

"BE IT RESOLVED that this Authority be delegated in the manner and to the extent prescribed in the following resolution to the persons whose signatures appear below this resolution under the heading "Specimen Signatures". "

RESOLUTION CONCERNING THE PAYMENT OF BENEFITS UNDER THE PENSION PLAN FOR THE EMPLOYEES OF CONCORDIA UNIVERSITY.

The Custodian shall not commit nor pay out any funds under the terms of the safe Custody Agreement for payment of benefits unless they have received signed authorization by the Director, Human Resources or one of the Committee members for payment and by either the Payroll Supervisor or the Assistant Payroll Supervisor to certify that recipients of refunds or Pension Payments were or are employees of the University.

Payment of expenses incurred by the Pension Plan must be authorized by the Director, Human Resources and a member of the Committee, or by two members of the Committee.

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Specimen Signatures

Raymond Doutre, Director, Human Resources

Delia Lynk, Payroll Supervisor

Gerry Jones, Assistant Payroll Supervisor

CONCORDIA UNIVERSITY EMPLOYEE BENEFITS COMMITTEE MEMBERS

M. Dawn Johnson

G. Martin

W.M. Reay

The motion was seconded by Mr. Smart and unanimously carried.

Increase in Health Insurance Premium

The Committee reviewed the details of the premium increase as submitted by Confederation Life Assurance Company and the additional information provided by Mr. Bourbeau of William M. Mercers Ltd.

Mr. Smart asked when Concordia had negotiated the present contract and was advised that our Group Insurance contracts were re-negotiated in 1977. Mr. Smart suggested that we go to market every 5 years to ensure that we are taking advantage of the most favourable premium rates available.

Mr. Fisher noted that the Insurance companies are really providing a type of self-insurance. The insurance company takes an administrative fee for providing the service but the premium costs are largely based upon the actual claims of the group.

The Committee agreed in principle that Concordia should go to market every five (5) years and Mr. W.M. Reay proposed that the new premium rates be approved with the University sharing the cost with active participants at 50%. The motion was seconded by Prof. Martin and carried.

Investment Guidelines

Samples of guidelines were distributed to members and the Chairman cautioned that the Investment Counsellors had been engaged to provide a service for us and the Committee should not tell them in detail how to do their job.

Various combinations of asset mix were discussed along with overall objectives regarding the rate of return. The alternatives of providing one set of guidelines or seperate mandates for each manager were also discussed.

It was generally agreed that the matter should be considered further and a revised draft prepared for consideration by the Committee.

Actuarial Report

Mr. Bourbeau responded to questions related to the actuarial report. It was noted that payments toward unfunded liabilities have reduced due to the fact that one of the liabilities is now fully funded. (Present cost .81% of Payroll as at January 1, 1980.) There is a surplus in the fund of $608,000. which is the net result of favourable returns within the portifolio less the higher liability generated by salary increases in excess of those assumed.

It was noted that the required ongoing University contribution rate will remain at 6.66% of Payroll to cover Current Service Costs plus .81% to cover the Unfunded Liabilities.

Following a question regarding interest paid on refunds, Prof. Potter was advised that the interest paid is the same as the discount rate assumed in the actuarial evaluation.

The Chairman called for acceptance of the Actuarial Valuation Report as submitted. Acceptance was unanimously agreed to.

The meeting adjourned.

Respectfully Submitted,

Dawn Johnson, Secretary